

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6970

BILL NUMBER: HB 1210

NOTE PREPARED: Mar 19, 2007

BILL AMENDED: Mar 19, 2007

SUBJECT: Homeowner Protection Unit Account and Unclaimed Property.

FIRST AUTHOR: Rep. Van Haaften

FIRST SPONSOR: Sen. Bray

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) The bill provides that money in the Homeowner Protection Unit Account (the Account) administered by the Attorney General does not revert at the end of a state fiscal year. The bill allows the Attorney General to publish a notice of unclaimed property electronically on the Attorney General's web site instead of in a newspaper if the address of the apparent owner of the property: (1) is not reported to the Attorney General by the previous holder of the property; or (2) is outside Indiana.

The bill provides that an electronic notice of unclaimed property must remain on the Attorney General's web site for at least two weeks. The bill provides that if the Attorney General's examination of a person's records reveals that the person holds property that is reportable under the law governing abandoned property, the Attorney General may assess the cost of the examination against the person at a reasonable rate established by the Attorney General. (Current law provides that the Attorney General may recover the cost of the examination at a rate of \$200 a day for each examiner.)

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: The bill allows the Attorney General to publish a notice of unclaimed property electronically on the Attorney General's web site instead of in a newspaper under certain conditions. This provision will reduce expenditures by a minimal amount.

Current law provides that the Attorney General may recover the cost of the examination of a person's records at a rate of \$200 a day for each examiner. The bill allows the Attorney General to establish the costs which will help the Attorney General recover costs of examinations and reduce expenditures.

Explanation of State Revenues: (Revised) *Summary-* The state General Fund would not receive a reversion from the Homeowner Protection Unit Account beginning in FY 2008 and future fiscal years. Under current law, the Account does not revert to the General Fund prior to July 1, 2007. However, current law requires the Account to revert its remaining balance at the end of each state fiscal year after June 30, 2007 (or beginning in FY 2008). Additionally, the bill would remove language requiring annual appropriations from the Account to carry out Homeowner Protection Unit activities.

*Background-*For FY 2007, the state budget appropriated \$120,000 to the Account. However, in addition, the Account is augmented by fee revenue. The Account currently receives \$1.25 of a \$3 fee on mortgage recordings. The Account had a free balance of about \$423,275 as of June 30, 2006.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General; Auditor of State.

Local Agencies Affected:

Information Sources: Greg Strack, State Budget Agency, 232-5623; Auditor's Appropriation and Allotment Trial Balance 6/30/2006.

Fiscal Analyst: Chris Baker, 317-232-9851.